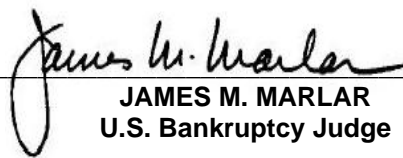


SIGNED.



Dated: October 02, 2008


JAMES M. MARLAR
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:) Chapter 13
) No. 4:08-bk-04648-JMM
ROBERT E. MATYSIAK, JR. and)
ANGELA D. MATYSIAK,) **MEMORANDUM DECISION RE:**
) **DEBTORS' OBJECTION TO PROOF OF**
) **CLAIM NO. 4**
)
____ Debtors.)

The Debtors have filed an Objection to Proof of Claim No. 4 which attempts to avoid the secured creditor's lien held by GE Money Bank / Green Tree on their real property residence (Dkt. #18). No adversary proceeding has been filed by which the amount, validity or priority of this junior lien is challenged. (FED. R. BANKR. P. 7001.)

Nor have the Debtors set forth a valid legal reason to challenge the lien, as the statute mandates that mortgage liens on real property residences may not be modified. (11 U.S.C. § 1322(b)(2).)

In addition, the Debtors listed the lien, in their schedules, as undisputed. Moreover, the Debtors have not presented any proof to support their assertion that the real property has no value below that of the first lienholder's interest (11 U.S.C. § 506.), which would render GE Money Bank / Green Tree's lien wholly unsecured. *See Nobleman v. American Sav. Bank*, 113 S.Ct. 2106 (1993).

1 If the Debtors seek to strip off a lien, it must do so in the context of an adversary
2 proceeding, with adequate safeguards for service, and a meaningful opportunity for hearing. In the
3 instant case, service was not effected upon an individual or statutory agent, but only upon the
4 corporate entity at a drop location. This is not adequate. *See* FED. R. CIV. P. 4(m).

5 GE Money Bank/Green Tree filed a secured claim for \$66,510.53. (Claim No. 4.)
6 It supported it with the promissory note and deed of trust signed by the Debtors, as well as an
7 accounting.

8 No plan has yet been confirmed. The Debtors have shown no legal basis, supported
9 by facts, by which this court can deprive a secured creditor of its lawful lien. Should the Debtors
10 seek to do so in the future, they must file an adversary proceeding upon this creditor, with a showing
11 of proper service upon its statutory agent or an officer or managing partner.

12 The current pleadings do not meet the tests for procedural due process. An order
13 denying the Debtors' Objection to Proof of Claim No. 4 will therefore be entered.

14 Should the Debtors wish to try again, they must employ appropriate procedural
15 safeguards. *See* FED. R. CIV. P. 4.

16
17 DATED AND SIGNED ABOVE.

18
19 COPIES to be sent by the Bankruptcy Notification
20 Center ("BNC") to the following:

21 Charles M. Sabo
Attorney for Debtors

22 GE Money/Green Tree
23 P.O. Box 0049
Palatine IL 60055-0049

24 Dianne C. Kerns
Trustee

25 Office of the U.S. Trustee
26
27
28